

## Workforce Supply

- **Unemployment is low, but the region has a 106,700-strong available labor pool, that includes 90,470 underemployed workers who are looking for better jobs.**

The underemployed are willing to commute farther and longer. For the one-way commute, 39 percent are prepared for 20 or more minutes longer and also for 20 or more extra miles. Underemployment rates range from 17.5 percent for Jackson County to 27.3 percent for Limestone. Madison County has the largest available labor and Lawrence has the smallest.

Labor Force	433,202
Employed	416,941
Underemployment rate	21.7%
Number of underemployed workers	90,476
Unemployed	16,261
<b>Available labor pool</b>	<b>106,737</b>

Note: Based on August 2005 labor force data.

Source: Center for Business and Economic Research, The University of Alabama and Alabama Department of Industrial Relations.

- **In 2000, 33,240 residents commuted out of the region for work, compared to 31,310 in-commuters.**
- **Significant commuting within the region highlights the importance of proper maintenance of roads, highways, and transportation systems to ensure uninterrupted movement of workers.**

Impeded movement of workers can slow economic development. The one-way commute takes less than 20 minutes for 59 percent of workers, but more than 40 minutes for 10 percent of workers, with 1 percent of workers spending more than an hour to get to work. The commute is less than 10 miles for 46 percent of workers; about 18 percent of workers travel more than 25 miles one-way and almost 5 percent exceed 45 miles.

- **Region 2 has slightly better educational attainment and higher population growth than the state.**

Of the age 25 and over population, 75 percent are high school graduates and 19 percent hold bachelor's or higher

degrees in Alabama. Region 2 has 76 percent high school graduates and 20 percent bachelor's or higher degree holders. Madison County stands out with 85 percent high school graduates and 34 percent bachelor's or higher degree holders; the other counties lag. Population rose by 4.0 percent from 2000-2004, but grew nearly 2 percent for the state. The 2000-2010 projected population growth is 13 percent for the region and 8.8 percent for Alabama.

## Workforce Demand

- **By sector, the top five employers in the region are manufacturing; retail trade; health care and social assistance; professional, scientific, and technical services, and accommodation and food services.**

These five sectors provided 211,670 jobs, 63 percent of the region total in the second quarter of 2004. Two of these leading employers—manufacturing and professional, scientific, and technical services—had higher average monthly wages than the \$2,785 regional average.

- **On average about 18,100 jobs were created per quarter from second quarter 2001 to second quarter 2004; average quarterly net job flows was 1,426.**

Job creation is the number of new jobs that are created either by new area businesses or through expansion of existing firms. Net job flows reflect the difference between current and previous employment at all businesses.

- **Six occupations are both high-demand and fast-growing: Computer Software Engineers, Applications; Security Guards; Receptionists and Information Clerks; Packers and Packagers, Hand; Nursing Aides, Orderlies, and Attendants; and Registered Nurses.**

The top five high-demand occupations are Cashiers; Retail Salespersons; Combined Food Preparation and Serving Workers; Laborers and Freight, Stock, and Material Movers, Hand; and Waiters and Waitresses. The top five fast-growing occupations are Medical Assistants; Medical Records & Health Information Technicians; Home Health Aides; Personal and Home Care Aides; and Network Systems and Data Communications Analysts.

- **The top 50 highest earning occupations are mainly in health, legal, management, engineering, computer, science, and postsecondary education fields.**

Almost all high-earning occupations require bachelor's or higher degrees. The top four are all health occupations (e.g. anesthesiologists and family & general practitioners).

- **Fast-growing or high-demand occupations are generally not high-earning.**

Of 40 selected high-demand, 42 selected fast-growing, and 50 selected high-earning occupations, only one occupation—Computer Software Engineers, Applications—is in high-demand, fast-growing, and high-earning. General and Operations Managers is both high-earning and in high-demand. Sales Managers, Pharmacists, and Internists, General are the fast-growing and high-earning occupations.

Workforce Investment Advisory Areas



- **Employment is currently growing faster than labor force and population.**

## Implications for Workforce Development

- **The region's labor force must grow faster to meet workforce demand either by increasing the participation rate, growing population, or both.**

Higher demand for workers can intensify commuter inflow and present other challenges to workforce development. Initiatives addressing this challenge might (i) focus on hard-to-serve populations (e.g. out-of-school youth and illiterate adults), (ii) facilitate in-commuting, and (iii) help communities gain new residents, especially since increasing the number of residents is generally more beneficial to communities than in-commuting. However, communities must be prepared to invest in amenities and infrastructure to support population growth. Hard-to-serve populations are often outside of the mainstream economy, poor, and have difficulty finding work. They are potential labor force participants and investment in training, transportation, child care, infrastructure, etc. may be needed to tap this resource.

- **Economic development should target high-earning industries and workforce development should ensure availability of workers for such industries.**

High-demand and high-growth occupations are common to the leading, but not very high wage, employment sectors. Economic development should aim to diversify and strengthen the regional economy by retaining, expanding, and attracting more high-wage providing industries. Workforce development efforts should prepare workers for these industries.

- **Training in basic skills is very important, but high-earning jobs need resource management, complex problem solving, and systems skills as well.**

Basic skills are important for high-demand, high-growth, and high-earning jobs. This indicates a strong need for training in such skills. Ideally, all high school graduates should possess basic skills so that postsecondary and higher education can focus on other and more complex skills while enhancing these basic skills. Employers should be an integral part of planning for training as they

can help to identify future skill needs and any existing gaps.

- **A highly educated and productive workforce is a critical economic development asset.**

Skill and education requirements for jobs keep rising. There is therefore a very strong need to raise educational attainment in the region. Although this presents challenges to workforce development, it also presents opportunities for economic development through workforce development activities that involve postsecondary and higher education institutions. Higher incomes to graduates from these institutions would help to raise personal income for the region. Raising personal income by improving educational attainment and technological skills for the region is an effective economic development strategy. Thus, workforce development should continuously educate individuals, the public, and legislators about the private and social returns from education. This strategy will encourage individuals to seek to raise their own educational attainment level and also promote public support for education.

- **Ongoing worker retraining programs should be continued and enhanced.**

This point is well noted in the WIAA Region 2 June 2005 regional advisory council's annual report with a call for funding for various programs. Alabama has a number of tools to assess, retrain, and place dislocated workers, especially those affected by outsourcing. These programs should be continued to ensure that the labor force participation rate does not fall.

- **Together, workforce development and economic development can build a strong and well-diversified regional economy. Indeed, one cannot achieve success without the other.**

# WIAA Region 2

## Workforce Report I Summary, 2005



**ALABAMA DEPARTMENT OF ECONOMIC  
AND COMMUNITY AFFAIRS  
OFFICE OF WORKFORCE DEVELOPMENT**

Tim Alford, *Director*  
Linda Bryan, *Executive Assistant*  
Alice Schaum, *Regional Advisory Council Coordinator*  
401 Adams Avenue, Suite 590  
Montgomery, AL 36104  
Phone: (334) 353-1490, 1686, 5382  
Fax: (334) 353-2005  
OWD@adeca.state.al.us  
<http://www.owd.alabama.gov>